

Message Text

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PAGE 01 ISLAMA 04325 300701Z

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ACTION NEA-10

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R 300631Z APR 76
FM AMEMBASSY ISLAMABAD
TO USDOC WASHDC
INFO SECSTATE WASHDC 5276
AMCONSUL KARACHI
AMCONSUL LAHORE

UNCLAS ISLAMABAD 4325

E.O. 11652: N/A

TAGS : BTIO, BEXP, EMIN, PK

SUBJECT : MAJOR PROJECTS: SAINDAK COPPER DEPOSITS

REFERENCE : 75 ISLAMABAD 11370

1. EMB COMMERCIAL OFFICER ON CONSULTATION VISIT TO KARACHI WAS ADVISED BY DR. S.A. BILGRAMI, GENERAL MANAGER OF PAKISTAN RESOURCES DEVELOPMENT CORP (RDC), THAT THE CORPORATION WAS NOW READY TO ENTERTAIN PROPOSALS FROM FOREIGN FIRMS FOR THE EXPLOITATION OF SAINDAK COPPER DEPOSITS. RDC HAD NOT BEEN ENCOURAGING FOREIGN PROPOSALS UNTIL COMPLETION OF A DRILLING PROGRAM CARRIED OUT WITH UNDP ASSISTANCE. THE RDC HAS NOW COMPLETED 28,440 METERS OF DIAMOND CORE DRILLING AND 861 METERS OF NONCORE DRILLING TOTALLING 87 BORE HOLES SINCE NOVEMBER 1974.

2. DR. BILGRAMI REPORTS THAT THE EAST ORE BODY HAS BEEN COMPLETELY DEFINED AND PROVED. IT CARRIES ORE RESERVES OF 261 MILLION TONS WITH RECOVERABLE RESERVES OF 214 MILLION TONS AT 0.373 PERCENT AVERAGE COPPER. THE BODY LIES BETWEEN THE SURFACE (946 METERS) AND 476 METERS ABOVE MEAN SEA LEVEL. THIS BODY INCLUDES 68 AND 41 MILLION TONS OF PROVED AND ESTIMATED ORE RESERVES RESPECTIVELY AT 0.43 PERCENT COPPER AVERAGE ATAA CUT OFF GRADE OF 0.4 PERCENT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ISLAMA 04325 300701Z

3. THE SOUTH ORE BODY HAS PROVED RESERVES OF 55 MILLION

TONS AT 0.47 PERCENT AVERAGE COPPER WITH A CUTOFF GRADE OF 0.3 PERCENT. THIS INCLUDES 35 MILLION TONS OF 0.575 PERCENT AVERAGE COPPER AT A CUTOFF GRADE OF 0.4 PERCENT. DRILLING IS STILL CONTINUING IN THE NORTH ORE BODY WHICH IS EXPECTED TO HAVE RESERVES OF 15 TO 20 MILLION TONS OF BETTER THAN 0.45 PERCENT GRADE.

4. SIGNIFICANT VALUES OF GOLD AND MOLYBDENUM ARE REPORTED BY RDC ON THE PERIPHERIES OF THE SOUTH AND EAST ORE BODIES. INTERESTING VALUES OF MOLYBDENUM ARE FOUND IN PARTS OF THE NORTH ORE BODY.

5. THE COPPER DEPOSITS ARE LOCATED IN A REMOTE DRY REGION (29 DEGREES 15 FEET, 61 DEGREES 36FEET 30INCHES) WITH SERIOUS EXPLOITATION PROBLEMS INVOLVING TRANSPORTATION, ACCOMODATIONS AND WATER SUPPLY. A MEDIUM TO LIGHT DUTY RAILWAY BETWEEN QUETTA, PAKISTAN, AND ZAHIDAN, IRAN, PASSES WITHIN 25 MILES OF THE DEPOSIT BUT THERE ARE VIRTUALLY NO HEAVY DUTY ROADS IN THE AREA. WATER FOR THE DRILL CREWS IS PRESENTLY BEING TRUCKED TO THE SITE FROM AS FAR AWAY AS ONE HUNDRED MILES. A FIVE-MAN DRILL CREW FROM THE UK UNDER A UK GOVERNMENT TECHNICAL ASSISTANCE PROGRAM IS PRESENTLY SEARCHING FOR WATER. DR. BILGRAMI SAID THAT NONPOTABLE WATER HAS BEEN FOUND NEAR-BY WHICH COULD BE USED FOR MINING PURPOSES.

6. DR. BILGRAMI INDICATED NO PREFERENCE FOR THE TYPE OF PROPOSAL RDC WOULD BE WILLING TO REVIEW. HE SAID THAT RDC WOULD REVIEW ANY ONE OR COMBINATION OF PROPOSALS TO DETERMINE WHAT WOULD BEST SERVE THE INTERESTS OF RDC AND PAKISTAN. THE PROGRAM FINALLY ADOPTED COULD VARY FROM FULL EXPLOITATION BY A FOREIGN FIRM UNDER LICENSE TO OPERATION BY RDC WITH FOREIGN CONSULTANTS UNDER CONTRACT. THE COST OF THE PROJECT HAS BEEN ESTIMATED AT DOL\$350 MILLION UPWARD.

7. US STEEL, KENNECOTT AND KAISER HAVE EACH BEEN IN CONTACT WITH RDC AND SHOULD BE ADVISED OF THE PRESENT STAGE OF THE SAINDAK PROJECT. USDOC SHOULD ALSO ADVISE OTHER US FIRMS WHICH MIGHT BE CAPABLE OF JOINING IN THE ENTIRE PROJECT OR PROVIDING GOODS AND SERVICES FOR ANY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ISLAMA 04325 300701Z

PORTION. INQUIRIES CAN BE ADDRESSED THROUGH THE CONSULATE GENERAL IN KARACHI, THE EMBASSY IN ISLAMABAD OR DIRECTLY TO DR. S.A. BILGRAMI, GENERAL MANAGER, RESOURCES DEVELOPMENT CORPORATION, 8TH FLOOR, DAWOOD CENTRE, MAULVI TAMIZUDDIN KHAN ROAD, KARACHI, PAKISTAN.
AMSTUTZ

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Margaret P. Grafeld
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